

INTRODUCTION

California's performance standards and benchmarks have evolved from collaborative efforts between the real estate and building industries, individuals, and the State - factored by statutory requirements and Administration policy. The focus of DRE is timely processing while preserving the integrity of the results. However, changes in the past three years of high application volumes and staffing concerns have driven the performance measures well beyond traditional levels.

The California Association of Realtors and the California Building Industry have voiced their views on DRE's processing timeframes. Both organizations were troubled that as a Special Fund department, DRE could not provide adequate resources to meet expected performance standards. This raised their dissatisfaction to the highest government levels. DRE's performance standard goal is to return to the historical levels acceptable to industry while recognizing that fast may not always be fast enough.

With the new policies and assistance of this Administration, DRE is actively receiving support and direction that will help reduce the backlogs and remedy the processing timeframes. Positive results of the first actions taken, i.e., approving hiring freeze exemptions, are already being realized with the elimination of the mail processing backlog effectively reducing the time to obtain a real estate license by three weeks. Also, DRE will be releasing online rescheduling of license examinations in April 2004 and is scheduled to release online original scheduling of examinations in October of this year. With emphasis on the planned outcomes and prioritization within the programs, DRE will be positioned to realize the following goals:

Performance Standard	Benchmark	Achievement Date
Examination and Original License (Initial)	58-94 days (8 -14 weeks)	January, 2005
Examination and Original License (Best)	43-57 days (6 – 8 weeks)	January, 2007 *
Subdivision Public Report Approval (Initial)	50% of statutory mandated timeframes	September, 2004

**Note: Achievement is dependent upon changes in processing and introduction of planned technology solutions.*

INDUSTRY INPUT**California Association of Realtors (CAR)**

Stan Wieg, Legislative Advocate for CAR, was contacted about license application performance standards, benchmarks & processing times required for real estate licensure by the DRE. Stan, on behalf of CAR, offered the following:

- CAR is satisfied with the process of education, testing, fingerprinting and licensure.
- CAR is dissatisfied with the processing times to achieve the various benchmarks for licensure. CAR would like to see processing times return to a total of 10 weeks (from exam application to licensure), with the expectation that the timeframes would be further improved through the use of technology. The primary concern with the current timeframes is the length of time to get scheduled for an exam.

CAR Suggests:

- Implement electronic testing so that an applicant could take the exam when they wanted, i.e., walk-in testing. In addition, test results would be known immediately. CAR indicated such a procedure is being used for some of the licenses issued under Consumer Affairs.
- In cases where there has been considerable DOJ fingerprint processing delays, DRE should consider adopting regulations or policies to allow the issuance of a license prior to obtaining the fingerprint response.

Discussion

CAR, in internal discussions, considered potential legislative responses to delays in processing times, but purposely did not pursue any legislative fixes this year in order to determine the effectiveness of SB 1080 (allowing fingerprints and exam applications to be submitted sooner in the process) coupled with online examination scheduling which will be implemented later this calendar year.

When questioned whether CAR would agree to amend the fiscal “poison pill” language in order to obtain and/or implement new technology, CAR is amenable to discussing the possibility of amending the “poison pill” language, which limits the DRE’s reserves to six months. Given the sheer number of exam applicants, in order to implement electronic testing and have enough terminals to meet the demand, the initial capital outlay would be considerable. It was made clear by Mr. Wieg that there are no guarantees that CAR would support an amendment to the “poison pill” limitation on DRE’s reserves.

With respect to issuing licenses prior to obtaining fingerprint responses, the DRE has implemented policies to allow a license to be issued after six months of delays from the DOJ, if no actionable convictions are disclosed.

National Association of Realtors (NAR)

- Per Walt McDonald, NAR President, ideally, industry at the national level would like to have applicants issued licenses ASAP; however, NAR has no formal position or policy on processing timeframes.
- States vary in volume, license requirements and screening, all of which contribute to differences in processing timeframes. It is Mr. McDonald's understanding that currently, all states are experiencing delays in the licensing process due to the favorable real estate market.
- Mr. McDonald advised that in his opinion, California should continue to require fingerprint results before issuing a license. He indicated this should not be compromised. Many other states do not require this form of background screening.
- Mr. McDonald's personal position is that six weeks processing time for the examination and license process is preferred, however, it is recognized that that may not be achievable in the near term.

NATIONAL COMPARISON

The following represents the results of DRE's national comparison analysis with ten representative states. Additional detailed information is available on the National Comparison analysis pages.

Licensing Program

California has the largest population of licensees as well as the highest volume of examination applicants.

I. PERFORMANCE MEASURE – OBTAINING A REAL ESTATE LICENSE

Comparison Summary with States Exceeding 100,000 Licensees

State	License Population	New Licensees (Per Month)	Current Benchmarks (Days)	Historical Benchmarks (Days)
California	367,779	3,330	58-94	43-57
Florida	240,000	2,500	35-97 *	Not Available
Texas	123,103	1,441	22-100 *	Not Available
New York	130,000	2,583	35-37 *	Not Available

** Note: State benchmarks were derived from published processing standards or statutory timeframes. Specific timeframes from other states were not readily available upon contacting them.*

Key Similarities to California

- Comparable technology offerings for online renewals, license lookups, and information maintained. The various states track information such as education evaluation, fees, examination results, license and renewal processing, and enforcement case tracking.
- All states have web sites through which online offerings are accessed and are comparable to the California DRE Web site. The Association of Real Estate License Law Officials (ARELLO) honored the DRE Web site with the 2002 ARELLO Excellence in Communication Award.
- Pre-requisite education and experience requirements.
- Continuing education requirements for license renewal.
- Customer service surveys to monitor performance.
- Forms available through Fax-On-Demand telephone systems as well as via the Internet.

Key Differences to California

- Examinations are outsourced to private providers, most of which are administrated electronically. The availability of exams is restricted to the number of testing centers and devices. During times with low to moderate volume, scheduling an appointment to take a test can occur within a few days; however, testing appointments would be extended in times of high application volume. Some states surveyed are currently struggling to address and remedy low examination pass rates.
- Some states allow the examination provider to prequalify license applicants.
- Concurrent processing of examination and license applications.
- Temporary license or authorization is granted.
- Online submittal of original license application is permitted in states such as Texas.
- With the exception of Oregon, no fingerprint response is required prior to license issuance. Thus, there is no verification of criminal history or lack thereof. DRE receives criminal history from both the Department of Justice and the Federal Bureau of Investigation prior to original license issuance.
- No child support payment validation performed prior to license issuance.
- No proof of legal presence is required.
- The majority of telephone calls answered by separate call centers.
- DRE stores its licensing evidentiary records using optical imaging technology. Other states with large licensee populations, such as Texas, are beginning to plan for similar storage platforms.

Unique California Issues

- Examination fees represent 17-21% of DRE's total revenue and as such outsourcing would lessen the revenue needed to support Department operations. States with outsourced examinations have fees paid directly to provider.
- The loan to the General Fund of \$10.9 million in FY 02/03 stalled technology endeavors. Repayment of a portion of this loan would be needed to implement planned projects, including in-house electronic examinations.
- California has distinct criteria established by regulation to determine Substantial Relationship and Rehabilitation Criteria to which DRE must adhere for license denial or revocation on the basis of a crime or an act which is more stringent than that established in other states.

California Current Performance Improvement Initiatives

(Action Plan to achieve Current Benchmark goals of 58-94 days)

- **Simplification of salesperson examination qualification.**
Statute change effective July 1, 2004 will allow examination applicants to self-certify enrollment in pre-requisite statutory course rather than completion prior to

applying for the examination. Transcript showing completion will be required with license application.

- **Accept fingerprint results during examination process.**
Statute change effective July 1, 2004 will permit DRE to accept fingerprint response information for examinees that have their prints taken prior to passing the exam.
- **Hire staff and fill vacant positions.**
Hiring Freeze Exemptions authorizing DRE to hire temporary help, examination proctors, and to fill vacancies have been approved. DRE has also submitted a Spring Finance Letter requesting authorization for additional positions.
- **Expand online functions.**
Online examination rescheduling for qualified examination candidates will be available in April 2004. Planned enhancements include online initial examination application submittal and scheduling in the fall of 2004 and online tracking of the status of and stage of review of the original license application.
- **Expand internal technologies.**
Enhancements planned for release by July 2004 include bar code entry and tracking of examination, original and renewal applications and fees.

Opportunities for Improvements

(Strategic opportunities under current consideration to achieve Past Benchmark goals of 43-57 days)

- Redesign Licensing Interactive Voice Response system to process more telephone calls automatically. Feasibility study is completed for submittal along with a BCP to the Department of Finance in July 2004, for possible inclusion in budget year 2005/06, if approved. Submittal will be contingent upon reserve fund availability and loan repayment by the General Fund.
- Re-initiate DRE's electronic examination project that could incorporate features to provide immediate results and collect initial license application information and fees. The project schedule has been advanced by one year to begin the analysis phase in July 2004. Once this phase is concluded, DRE will prepare the required feasibility study report. This project is also contingent upon reserve funding and loan repayment by the General Fund.
- Issue licenses prior to receipt of fingerprint responses. Within current statutory provisions, DRE could issue original licenses pending receipt of fingerprint response information. The risk of such a change in policy is relative to consumer protection during the time the license is authorized and any Enforcement action is taken. This is not a favored option as approximately 40% of the license applicants have a criminal history of some sort. Thus, these individuals, if licensed, have access to people's homes, money and, potentially, personal credit and financial information. This jeopardizes the consuming public. Because of this, statutory authority to issue temporary licenses prior to fingerprint results has

not been sought. DRE is unable to analyze the risk factors and outcomes in other states since they do not monitor such information.

Subdivisions Program

Most subdivisions of land into five or more lots or units are subject to state regulation for the purpose of protecting purchasers of subdivision interests. The principal statutory basis for this regulatory scheme is the Subdivided Lands Act (Business and Professions Code Sections 11000-11200). Oversight of Subdivisions is achieved, first, through the review of applications for compliance with the Act and, secondly, through the issuance of a public report which discloses the material aspects of the offerings.

Twenty-four states have laws governing in state subdivided land sales while 32 states have an out-of-state registration requirement. Our research indicates that California law governing subdivided land sales is comparable to other states with filing or registration requirements. (See attachment)

II. PERFORMANCE MEASURE – SUBDIVISION PUBLIC REPORT APPROVAL

Subdivisions Public Report Comparison Summary

State	Volume Received	Processing Timeframes	Current Benchmarks	Historical Benchmarks
California	3652	35.9 avg.	30 days (Statute allows 60 days)	20 days
Arizona	1024	28.6 days avg.	60 days *	Not Available
Florida	60 from 01-03	10-45 days	45 days *	Not Available

** Note: State benchmarks were derived from published processing standards or statutory timeframes as calls to the States revealed that the requested information is not readily available.*

Key Similarities to California

- Require qualification of time-share projects
- Various exemptions to filing for a public report
- Guarantee completion of common areas or facilities
- Public report satisfies the Office of Interstate Land Sales Registration (OILSR/HUD) requirements for federal land sales law.

Key Differences to California

- California has a comprehensive review of the proposed homeowners' association (HOA) budget and the HOA governing documents to ensure the long-term viability of the association.

- California no longer performs on-site inspections of in-state common interest subdivisions unless the project is a condominium-conversion

California Current Performance Improvement Initiatives:

- The California Building Industry Association (CBIA) would like to see processing timeframes which are half of the statutory mandate. In order to meet that objective, additional staff will be hired, trained and placed into service processing subdivision files. The new staff will consist of professional and support personnel.

Opportunities for Improvements

- DRE's web site contains electronic versions of most subdivision forms. In many cases, these forms can be filled in and printed. The DRE's strategic plan includes a feasibility study for electronic filing and submittal of many of these forms online, including the public report application.
- Elimination of the Out-of-State (OOS) registration process should help improve processing timeframes for in-state subdivisions.

National Comparison – Regulation of Subdivided Lands

	California	Florida	New York	Texas	Illinois	Michigan	Arizona	Nevada	New Mexico	Oregon	Washington
Registration Requirements	Registration Issues Public Report	Registration Public offering statement	Registration and filing of offering plans Real Estate Financing Bureau handles unimproved land; Attorney General handles other types	Registration	Registration	Registration “complex and confusing regulatory scheme” 3 agencies involved	Registration Issues public report	Project registration Issues property report	Registration of in-state subdivisions regulated by counties	All cities/counties had to adopt local comprehensive plans consistent with state land use goals; almost no filings at the state level required	Registration developer prepared public offering statement given to purchasers (26 mandatory disclosures)
Types of Subdivisions Regulated	In-state and out-of-state land; condominiums; stock cooperatives with 5 or more lots, parcels, units, or fractional interests Timeshares with 12 or more interests	In-state and out-of-state subdivided land; condominiums; cooperatives; timeshares with 50 or more lots, parcels, units, interests	In-state and out-of-state unimproved land sold pursuant to a land contract (not mortgage loan) – program is largely inactive condos, coops, HOAs, timeshares, RE syndications	In-state and out-of-state time shares; membership camp grounds	Out-of-state only Improved land, timeshares, condominiums, CIDs with 25 or more lots, parcels, units, interests	In-state and out-of-state 25 or more lots, parcels, units or interests including timeshares and in state condominiums	In-state and out-of-state land, condominiums, stock cooperatives with 6 or more lots, parcels, fractional interests	In-state and out-of-state land sales (including condominiums) with 35 or more lots, parcels, units Timeshares with 12 or more interests	In-state only; out of state advertising registration only Subdivided land 2 or more parcels; condominiums; time share condominiums; time shares 5 or more interests	In-state and out-of-state 4 or more interests, subdivided land, condominiums; 11 or more undivided interests; campgrounds Timeshares with 12 or more interests	In-state and out-of-state timeshares, camping resorts and some types of condominiums 26 or more lots, units or interests offered
Processing Timeframes	Mandated 10 days to qualify applications for review; 60 days to process first deficiency notice; 30 days to process subsequent deficiencies; 15 days to issue public report.	Mandated 10 days if not subject to full review 45 days if subject to a full review	Not mandated None for unimproved land 30 days for new condominiums 6-12 months for conversions	n/a	Mandated 60 days	Approve or disapprove w/in 45 days after filing of a complete application for a proposed division with the assessor or other municipally designated official	Mandated 70 days for original application 10 days for amendment 60 days on average	Not mandated 3-4 weeks for subdivisions 30-45 days for timeshares	There are statutory time limits for state agencies to render decisions on certain types of filings	No mandated processing timeframes; for out-of-state registrations, mandatory on-site inspection	Not mandated

	California	Florida	New York	Texas	Illinois	Michigan	Arizona	Nevada	New Mexico	Oregon	Washington
Application Volume and Processing Timeframe (PT) Statistics	2003 3652 apps received 65.9 days average PT 2002 3199 apps received 73.2 days average PT 2001 2838 apps received 76.5 days average PT 2000 2945 apps received 66.2 days average PT	60 total land sales registrations received from 2001 to 2003; otherwise not tracked	approx. 16 filings per year for unimproved land over past 7 years (one attorney spends one fifth of his time) condos, etc. not tracked PT stats not tracked	n/a	1996-2003: 6 land sales subdivisions per year (average) 14 timeshare projects per year (average) PT stats not tracked	Not Available	2003 <i>(excluding Dec. 03)</i> 1024 apps received 801 reports issued 28.6 days average PT 2002 915 apps received 624 reports issued 35 days average PT 2001 642 apps received 529 reports issued 28.4 days average PT 2000 782 apps received 606 reports issued 35.5 days average PT	Not tracked	Not Available	Process: must submit Notice of Intention request for further information (subdivision questionnaire) and filing fee; average 2-3 out of state filings per year; almost all in state filings at city/county level	Not Available

National Comparison – Real Estate Licensing

	California	Florida	New York	Texas	Illinois	Michigan	Arizona	Washington	Nevada	Oregon	New Mexico
License population # of brokers: # of salespersons:	367,779 Total 114,047 Brokers 253,732 Salespersons	240,000 Total	130,000 Total	123,103 Total 39,321 Brokers 83,782 Salespersons	74,600 Total 28,600 Brokers 46,000 Salespersons	51,900 Total 4,900 Brokers 10,000 Associations 46,000 Salespersons	53,000 Total	43,155 Total 12,038 Brokers 31,117 Salespersons	23,019 Total 2,699 Brokers 16,920 Salespersons 3,400 Broker-Salesperson	19,000 total 19,000 brokers No salesperson license issued.	9,221 Total
Staffing levels # of licensing staff positions: # of examination staff positions:	Examination and Licensing staff are consolidated into one program of 48.5 PYs.	Real estate licensing is consolidated with other professions; exams are outsourced to PSI.	190 staff license 24 occupations but real estate is the largest group.	10 none (exams are outsourced to PSI).	8 none (exams are outsourced to AMP)	8 non (exams outsourced to AMP)	15 none (outsourced to Experior)	8 none (exams are outsourced to PSI)	9 none (outsourced – vendor Not Available)	4 3	2 1 (outsourced to Experior)
Monthly application volume examination apps per month: salesperson license applications per month: broker license apps per month:	Average FY 03/04: 13,000 2,852 478	Approximately: 3000 roughly by PSI 1000 roughly 1500 roughly	 6,000 – estimated 1,916 667	 2,595 by PSI 1,332 (15,998 FY03) 109 (1,310 FY03)	 Not Available 700 175	 Not Available 1,000 100-200	 Not Available 800 combined 	 496 by PSI 457 39	 Not Available 350 15	 Approximately 300	 By Experior 120 combined
Original license requirements (i.e. education, examination, experience)	Broker: 2 yrs sales experience or the equivalent along with RE Practice, Legal Aspects, Real Estate Finance, Real Estate Appraisal, Real Estate Economics or Accounting and three electives. Salesperson: Real Estate Principles and either with the examination, original license application or within 18 months after the issuance of a license, Real Estate Practice and one elective course. Pass Exam and Provide: Legal Presence Proof Clearances DOJ/FBI Support Obligor Cleared prior to license issuance.	Broker: 72 hour course in Principles and Practices; 1 year salesperson experience within past 5 years, pass exam (75%) Salesperson: 63 hours in Principles and Practices, pass exam.	Broker: 45 hour RE salesperson course and 45 hour real estate broker course; one year of experience as a licensed real estate salesperson or at least two years of experience in the general real estate field (e.g., buying and selling your own property, managing property owned by your employer); pass exam Salesperson: 45 hour RE salesperson course; pass exam	Broker: 900 hours of which 270 in core, 2 years active sales experience, pass examination. Salesperson: 180 hours of which 120 in core, pass examination.	Broker: 120 classroom hours or Bachelor's Degree or Attorney; pass exams (national and state); no experience needed; pass exam. Salesperson: 45 classroom hours or Bachelor's Degree or Attorney; pass exams (national and state); no experience needed; pass exam.	Broker: 90 clock hours of approved education, 3 years of full-time experience in real estate, pass broker exam Salesperson: 40 clock hours of approved education, pass salesperson license exam	Broker: 90 classroom hours Principles and Practices; 3 years salesperson experience; pass national and state exam Salesperson: 90 classroom hours Principles and Practices; pass national and state exam	Broker: 18 years of age or older, high school diploma or equivalent, 120 hrs of education: 30 RE Law, 30 Broker Mgmt., 30 Business Mgmt, 30 hrs elective completed within 5 yrs of applying for examination, 2 yrs full time salesperson experience, pass exam. Salesperson: 18 years of age or older, 60 hour course in Real Estate Fundamentals, pass exam.	Broker: 64 college credits; exam; 2 years experience as a salesperson; pass exam. Salesperson: 90 hour course, pass exam.	Broker: 150 hours of pre-license courses for state and national portion of exam. Principle broker: additional 40 hours of pre-license courses required and three years of licensed experience. Need fingerprint results from Oregon, FBI and ARELLO to clear for license.	Broker: 90 to 180 clock hours. One year of experience equals 90 classroom hours. Sales : 60 classroom hours

National Comparison – Real Estate Licensing

	California	Florida	New York	Texas	Illinois	Michigan	Arizona	Washington	Nevada	Oregon	New Mexico
Fees Salesperson Examination Application: Broker Examination Application: Original Salesperson License: Original Broker License: Salesperson License Renewal: Broker License Renewal:	4 year cycle \$25 \$50 \$120/\$145 \$165 \$145 \$165	2 year cycle \$152 inc. license \$162 inc. license n/a n/a \$95 \$85	2 year cycle \$15 \$15 \$50 \$150 \$50 \$150	2 year cycle \$59.00 (PSI fee) \$59.00 (PSI fee) \$67.50 \$295 1 yr \$47.50; 2 yr \$95 2 year \$500	2 year cycle \$49 \$49 \$100 \$100 \$25 year \$50 per year *\$25 fee increase pending	3 year cycle \$46 (to AMP) \$46 (to AMP) \$88 \$143 \$78 \$108	2 year cycle \$90 \$115 \$99 \$174 \$60 \$125	2 year cycle \$138.25 \$138.25 \$146.25 \$210 \$146.25 \$210	\$100 to test provider \$100 to test provider \$125 \$145 \$180 \$220	2 year cycle \$75 License fee \$230 Fingerprint fee \$40 (Oregon and FBI)	3 year cycle Sales/Broker exams \$95 Sales/Broker original and renewal licenses \$240
Processing Time Factors Proof of legal presence? Broker certification of salesperson? Fingerprints submitted? Support obligor checked? State fingerprint response before license issued? FBI fingerprint response before license issued? Reciprocity with other states?	YES YES YES YES YES YES No	No No YES Not Available No No YES	No YES broker signs app No – Background questions asked. Provides child support statement. 4 mos in arrears can lead to suspension. No YES YES	Texas residency No No Not Available Not Available No – Background check performed. No YES	No No No Not Available No No YES	No YES broker signs app No Not Available No No YES	No YES broker signs app YES Not Available No – Fingerprint fee assessed No Not Available	No YES Maybe required Not Available No No YES – takes WA law exam	No YES YES Not Available No No YES	No YES YES Not Available YES No Not Available	No No No Not Available No No Not Available

National Comparison – Real Estate Licensing

	California	Florida	New York	Texas	Illinois	Michigan	Arizona	Washington	Nevada	Oregon	New Mexico
Processing Steps	Submit exam app, fee and qualifying documents. Exam scheduled and administered. Results mailed. Submit license application, fee, fingerprint information, proof of legal presence. Once DOJ/FBI responses received, issue license or begin background investigation.	Submit exam, license application with fee and fingerprint card prior to taking exam. Take test. Submit form to activate license which can be turned in at the exam site.	Submit license application at time of exam, temporary letter authorizing licensed activities provided upon passing test.	Submit license application and fee prior to exam. Qualifications reviewed and packet sent to applicant. Applicant then arranges exam with PSI. Applicant takes test. Salesperson provides broker certification prior to license issued. License and exam processes run concurrently.	Applicant arranges exam with private provider. Submittal of a sponsor card authorizes temporary permit to do business for 45 days. Sponsor cards can be self-certifying for broker applicants.	Exam candidates will receive a score report at the Exam Center the day of the exam; passing candidates will receive a license application. Broker candidates will be provided an Associate Broker license application. License applications and criminal disclosure document submitted.	Applicant arranges exam reservation with private provider. Education certification turned in at exam. License application provided to passing candidates. Application, fee and fingerprints submitted for license.	Upon completion of course, registers for an examination appointment at one of seven sites throughout the state. Passing candidates receive an Application for Real Estate License at the examination site, which can be completed and signed by the applicant and employing broker and mailed with the license fee. Applicants may begin working from the postmark or received date of application.	Applicant arranges exam with private provider. Once passed, submits notarized application, two fingerprint cards, exam results, education, and fee to obtain license.	An examination application is sent to the New Mexico RE Commission. The examination is scheduled through n outside vendor. After passing the examination, applicants receive a license application which must be submitted with a copy of the test results. Completion certificates for pre-license education must be included, if not previously submitted when applying to take the examination.	No examination qualification. The examination application is submitted along with a background check application. Fingerprint information is required from Oregon, FBI and ARELLO before a final decision can be made. If a clearance is given and the applicant has passed the examination then a license application is sent to the applicant. Pre-license courses must be completed prior to the filing date of the license application.
Performance Levels Examination Completed Examination Results Original salesperson license Original broker license Salesperson license renewal* Broker license renewal*	84-112 days 7 days 42-56 days 42-56 days prior to expiration prior to expiration	Varies with workload *immediately 30 – 90 days 30 – 90 days prior to expiration prior to expiration	*walk-ins Mon & Tues *immediately 30 days 30 days prior to expiration prior to expiration	Varies with workload *immediately Not Available Not Available Not Available Not Available	Varies with workload *immediately 8 days or less 8 days or less prior to expiration prior to expiration	Varies with workload *immediately 2 weeks to 30 days 30-90 days 30 days 30 days	Varies with workload *immediately 5 days 5 days prior to expiration prior to expiration	Varies with workload *immediately 5 min; rcv in a week 5 min; rcv in a week 3 minutes 3 minutes	Varies with workload *immediately 3-4 weeks 3-4 weeks 4-5 days 4-5 days	Exam is offered once a month. If application is received by the 5 th of the month they will be scheduled for that month. Results – one week. Original and renewal licenses issued – 1 to 3 weeks	Daily One week 2-3 days 2-3 days
*excludes online renewals											

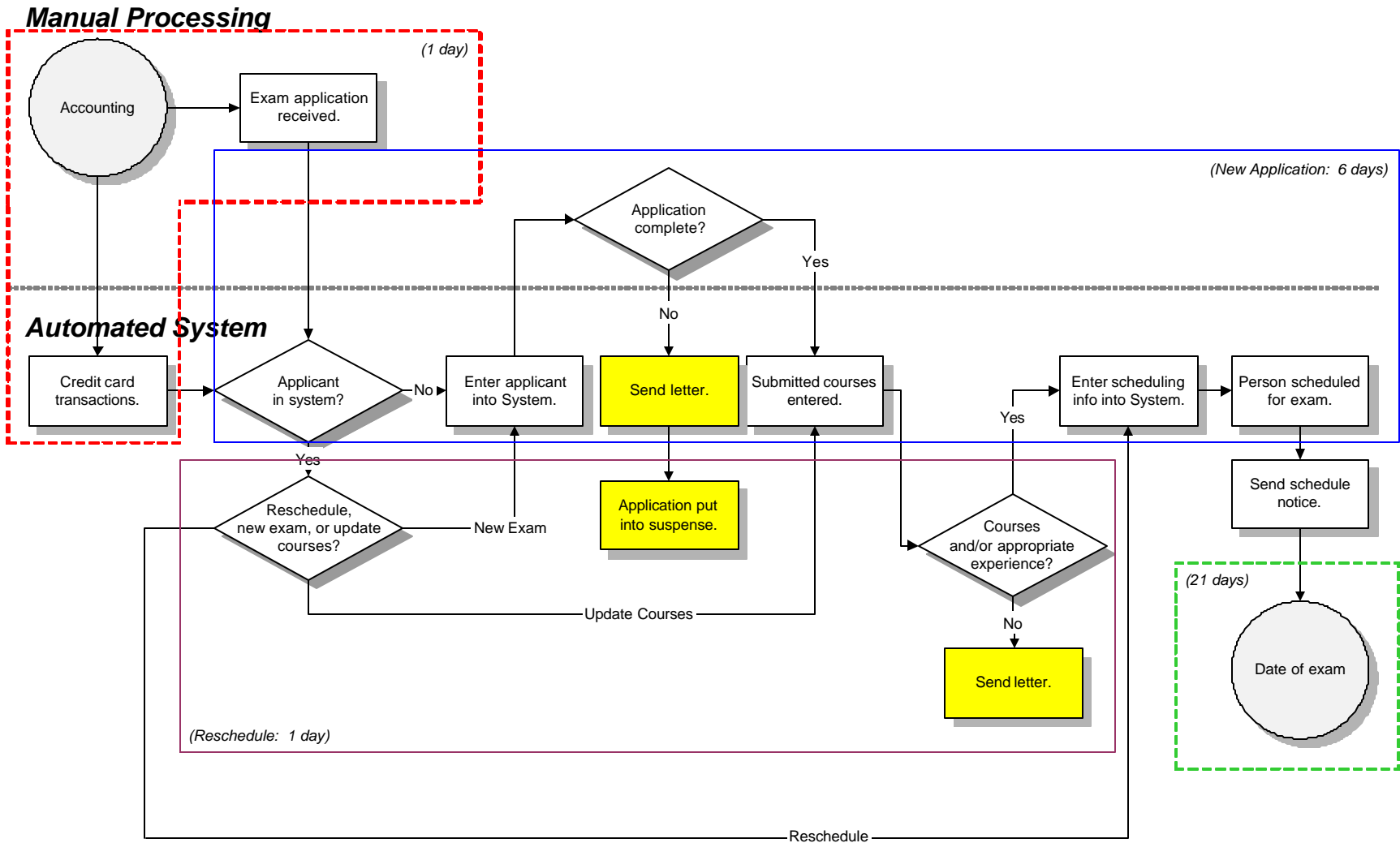
National Comparison – Real Estate Licensing

	California	Florida	New York	Texas	Illinois	Michigan	Arizona	Washington	Nevada	Oregon	New Mexico
Original License Benchmarks <i>Current Benchmark</i> <ul style="list-style-type: none"> Qualification Review Examination Completed Exam Results License Decision Total Time	14-21 days 21-42 days 2-3 days 21-28 days 58-94 days	Concurrent with Exam 5-7 days None 30-90 days 35-97 days	Concurrent with Exam 5-7 days None 30 days 35-37 days	Not Available 5-7 days 14-90 days of exam Not Available- varies with workload 22-100 days	Concurrent with Exam 3 days None 30 days of receipt of sponsor card 33 days	Concurrent with Exam 3 days None 30-90 days 33-93 days	Concurrent with Exam 8 days None 5 days 13 days	Concurrent with Exam 5-7 days None 7 days 13 days	Concurrent with Exam 7 days None 60 days of receipt of app 67 days	<i>Published benchmark addresses Audits and Investigations. Only licensing related benchmark focused on service level satisfaction.</i>	None Available
<i>Historical Benchmark</i> <ul style="list-style-type: none"> Qualification Review Examination Completed Exam Results License Decision Total Time	7-10 days 21-28 days 5 days 10-14 days 43-57 days	None Available <i>No published benchmarks identified. Performance standard used for comparison.</i>	None Available <i>No published benchmarks identified. Performance standard used for comparison.</i>	None Available <i>No published benchmarks identified. Statute standard used for comparison.</i>	None Available <i>No published benchmarks identified. Performance standard used for comparison.</i>	None Available <i>No published benchmarks identified. Performance standard used for comparison.</i>	None Available <i>No published benchmarks identified. Performance standard used for comparison.</i>	None Available <i>No published benchmarks identified. Performance standard used for comparison.</i>	None Available <i>No published benchmarks identified. Performance standard used for comparison.</i>	None Available <i>No published benchmarks identified. Performance standard used for comparison.</i>	None Available
<ul style="list-style-type: none"> Customer Surveys 	90+% approval rating with online services. Low ratings on telephone accessibility.	No Data Available.	No Data Available.	80+% approval rating.	No Data Available.	No Data Available.	No Data Available.	No Data Available.	No Data Available.	96% approval rating.	No Data Available
Examinations How are the examinations administered?	Administered by DRE.	Outsourced to PSI	Administered by Agency. *those who pass are given letter of authorization allowing them to work for 30 days while their license is processed	Outsourced to PSI	Outsourced to AMP	Outsourced to AMP – electronic version only	Outsourced to Experior electronic version only	Outsourced to PSI	Outsourced – Vendor Not Available.	Administered by Agency	Outsourced to Experior
Technology services Online services available.	DRE has developed online features for submittal of broker and salesperson renewal applications, CE validation, license change of employing broker, changes of mailing address, duplicate license requests, electronic bulletins.	PSI administers all examinations at locations around the state on PCs. Original license application (but mail in fingerprints and notarized test results), renewals, changes	renewals only (outsourced)	PSI administers all examinations (broker/sales/inspect ors) at locations around the state on PCs. Online original salesperson applications; salesperson and broker renewals; inspector renewals; easement and right-of-way renewals.	AMP administers all examinations at locations around the state on PCs. None currently; renewals and CE entry coming soon	Online registration for exam – immediate Online license renewal for individuals (not entities) – 2 weeks	No online services.	PSI administers all examinations at locations around the state on PCs. Exam Scheduling	None	None Computer system tracks examination and licensing records.	No Data Available

National Comparison – Real Estate Licensing

	California	Florida	New York	Texas	Illinois	Michigan	Arizona	Washington	Nevada	Oregon	New Mexico
Telephone Services Does your licensing/examination staff answer telephones as well as process applications?	Yes.	Minimal calls. Most are answered at centralized call center by dedicated staff.	Yes	Yes, the licensing staff answers phone calls in addition to processing applications; however, the bulk of phone calls are answered by Communications section comprised of 8 full time operators and one supervisor. On average, the Communications section takes approximately 170,000 calls per year.	Yes	Yes	Yes	Yes	Yes	Yes	Yes – the one employee received approximately 35 calls a week.

Exam Scheduling

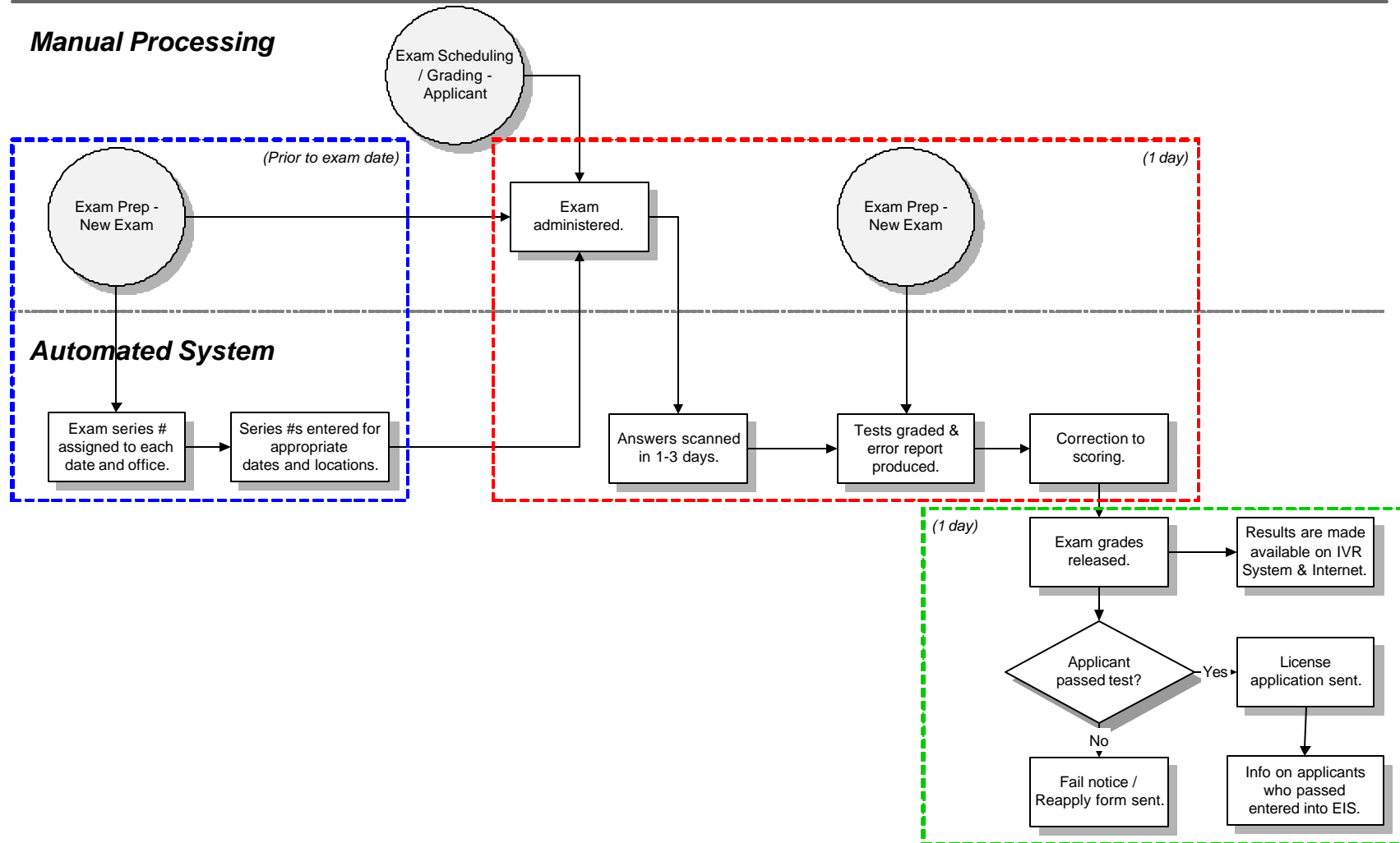


NOTE: Yellow indicates processing for deficient submittals and represents an additional 30-45 days to remedy.

NOTE: Benchmark 2 timeframes.

Exam Grading

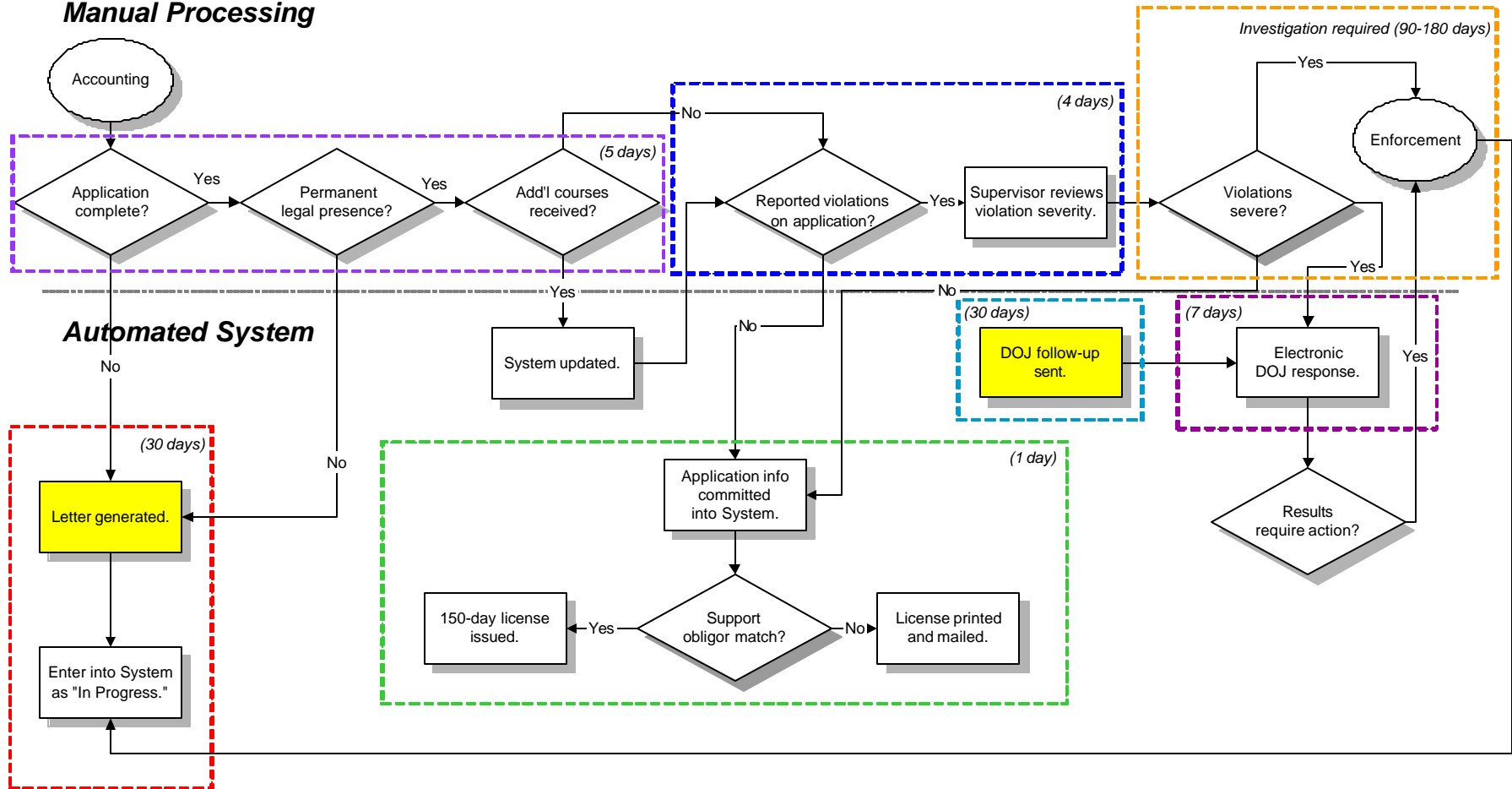
Manual Processing



NOTE: Benchmark 2 timeframes.

Licensing - Original License Processing

Manual Processing



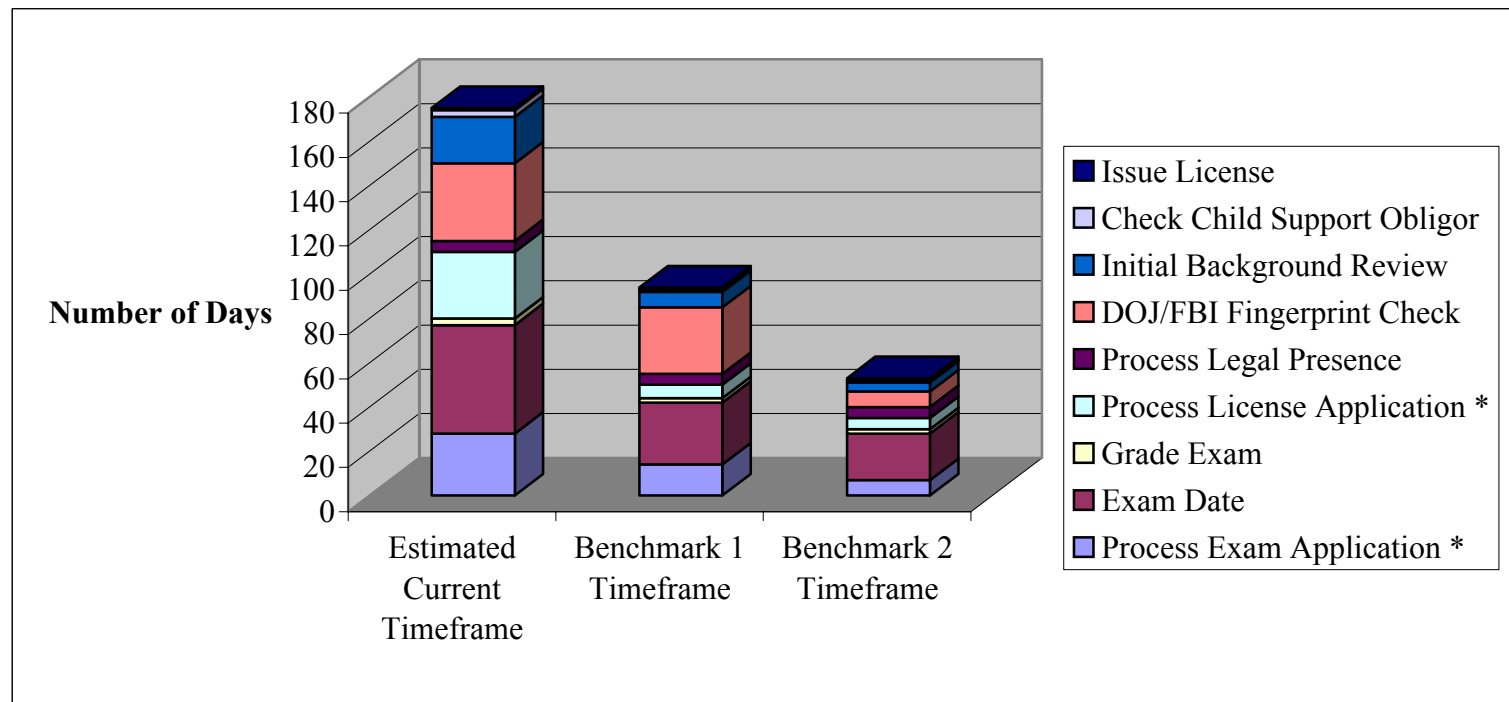
NOTE: Yellow indicates processing for deficient submittals and represents an additional 30-45 days to remedy.

NOTE: Benchmark 2 timeframes.

California Processing Timeframes

(median number of days)

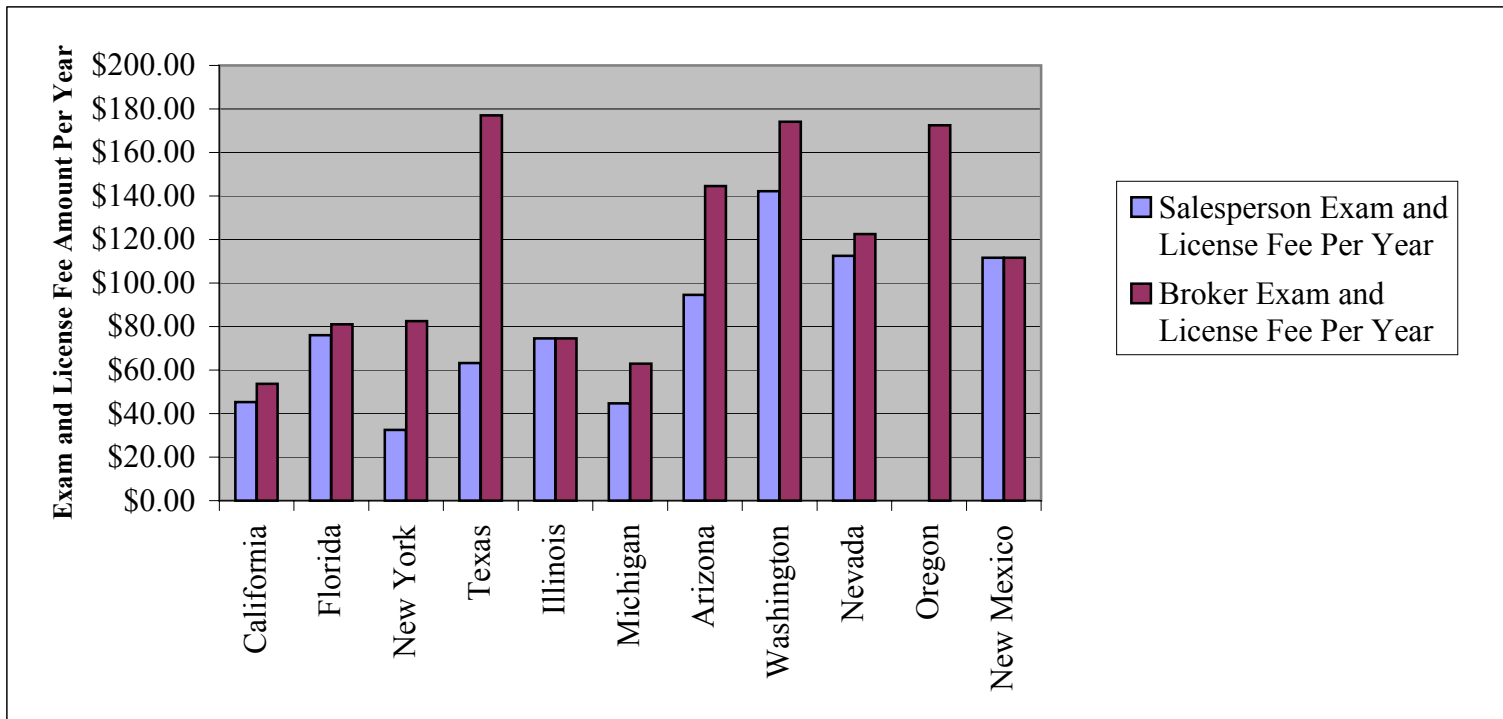
	Process Exam Application *	Exam Date	Grade Exam	Process License Application *	Process Legal Presence	DOJ/FBI Fingerprint Check	Initial Background Review	Check Child Support Obligor	Issue License	Total Number of Days
Estimated Current Timeframe	28	49	3	30	5	35	21	3	1	175
Benchmark 1 Timeframe	14	28	2	6	5	30	7	1	1	94
Benchmark 2 Timeframe	7	21	2	5	5	7	4	1	1	53



* Includes the re-processing of deficient applications which occur at an approximate rate of 30%.

National Fee Comparison

	Salesperson Exam and License Fee Per Year	Broker Exam and License Fee Per Year
California	\$45.25	\$53.75
Florida	\$76.00	\$81.00
New York	\$32.50	\$82.50
Texas	\$63.25	\$177.00
Illinois	\$74.50	\$74.50
Michigan	\$44.67	\$63.00
Arizona	\$94.50	\$144.50
Washington	\$142.25	\$174.13
Nevada	\$112.50	\$122.50
Oregon	na	\$172.50
New Mexico	\$111.67	\$111.67

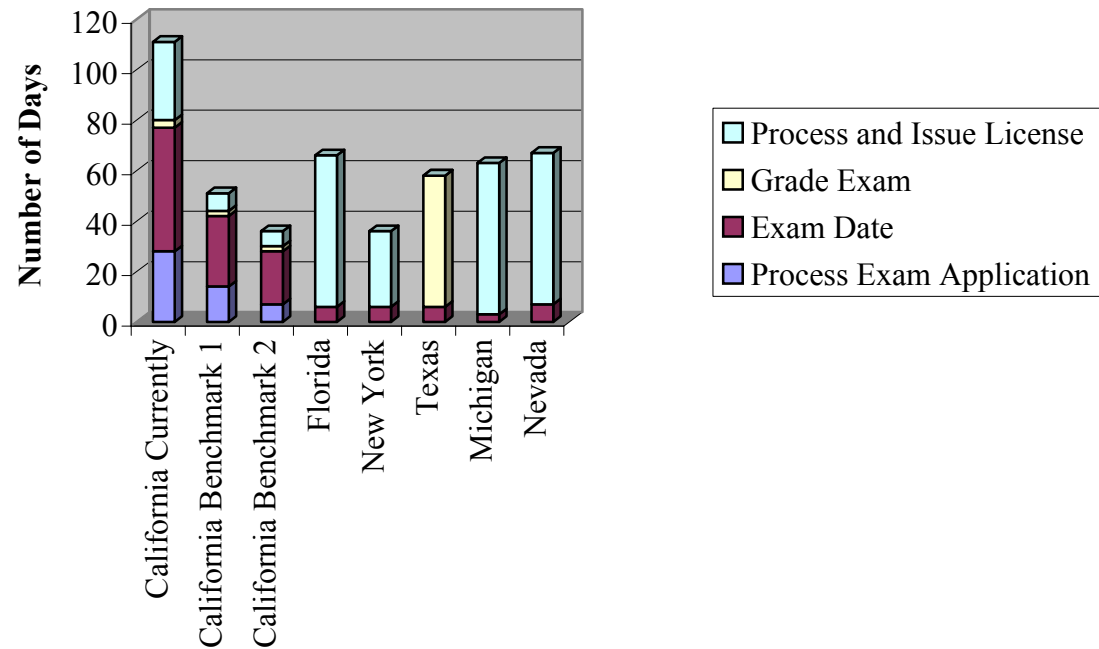


National Benchmark Comparison

Original Licensing

	Process Exam Application	Exam Date	Grade Exam	Process and Issue License	Total Number of Days
California Currently	28	49	3	31	111
California Benchmark 1	14	28	2	7	51
California Benchmark 2	7	21	2	6	36
Florida	0	6	0	60	66
New York	0	6	0	30	36
Texas	na	6	52	na	58
Michigan	0	3	0	60	63
Nevada	0	7	0	60	67

Comparison does not include tasks specific only to California, e.g. legal presence, fingerprints and child support obligor.



* Other states benchmarks are averages derived from their published timeframes or statutes.

Department of Real Estate

Examination Facilities Currently Used to Administer Salesperson and Broker Examinations

Office	DRE Facility (Daily)	Capacity	# Scheduled	Additional Facilities (As Available)	Capacity	# Scheduled
Los Angeles						
	Examination Center	83	90	Carmel Room	120	135
				Anaheim Convention Center	1500	1800
				LA Convention Center	500-1500	700-1800
Oakland						
	Room 703	27	27	Room 1	92	115
				Room 2	70	90
				Oakland Marriott City Center	1000	1200
San Diego						
	Room 3064	60	66	Holiday Inn on the Bay	125	140
Fresno						
	Room 3074	12	12	Assembly Room 1036	50	54
Sacramento						
	Room 120B	40	44	Sacramento Convention Center	300-1000	400-1200

Examinations are held 5-6 days per week.

Two salesperson sessions are scheduled per day, one broker session is scheduled per day.

Convention center scheduling for large examinations is now being done monthly to reduce the backlog of pending examinees.

The no show rate is approximately 28% and DRE overschedules examinations where possible to compensate for no shows. In some facilities, the lack of additional tables and/or chairs precludes DRE from maximizing the number of extra examinees scheduled.

SUBDIVISIONS PROGRAM

NATIONAL COMPARISON – COMMON INTEREST DEVELOPMENTS

This comparison includes states, which regulate the sale of common interest developments (CID's). CID's may include, but are not limited to, stock cooperatives, community apartment projects, planned developments and condominiums. This analysis does not include timeshares. Requirements for CID qualification in each state are as follows:

California:

- application and filing fee;
 - title report;
 - grant deed;
 - evidence of vehicular access, available water for domestic use and sewage disposal;
 - tentative/recorded subdivision map;
 - condominium plan;
 - location of soils information;
 - completion arrangements for the recreational facilities or common elements;
 - purchase money handling arrangements;
 - assessments and taxes;
 - unusual adjacent uses and zoning including airport influence area disclosure;
 - sales contract;
 - escrow instructions;
 - use and easement agreements;
 - contracts obligating the homeowners association;
 - subsidy/maintenance agreement and accounting procedure;
 - proposed homeowners association budget for the first 18 months of operation which is reviewed for adequacy of assessments and reserves; and
 - common interest project management documents, which include the Articles of Incorporation, Bylaws and the Covenants, Conditions and Restrictions (CC&R's).
- This review reveals any unusual restrictions or conditions imposed upon buyers.

New York:

- over 20 different exhibits must be submitted with an offering plan;
- provide an extensive chart with footnotes, identifying each unit, the number of rooms and baths, the offering price, the percentage of common interest, and projected monthly carrying charges that are deductible for income tax purposes;
- projected budgets for the first year of operation are submitted for disclosure purposes but are not reviewed;
- comprehensive description of the building(s); and
- advertising materials.

* Average processing time in New York is 5-6 months.

Michigan:

- the recorded master deed;
- copy of the purchase agreement;
- a condominium buyer's handbook; and
- a detailed disclosure statement that includes information on the association, the first year projected budget for the association, and identification of all structures that are "to be built".

Florida:

- application, prospectus and fee;
- declaration, articles, bylaws;
- contract;
- plot plan including floor plan;
- Q&A sheet;
- budget, for disclosure not review;
- termite inspection report;
- escrow information; and
- owner evidence and financial information.

Arizona:

- statement of the condition of the title to the land;
- sales contracts or other instruments to be use;
- recorded subdivision map;
- statement describing the land and the locality;
- provisions for legal access and provisions for health department-approved sewage and solid waste collection and disposal and public utilities in the subdivision;
- location of the nearest public school; statement of the use for which the subdivision will be offered; any limitations on the use or occupancy of the land; identity of the principal broker who is selling or leasing lots;
- indebtedness to be incurred by the entity or district in which the property is located to pay for community or recreational facilities, which is to assessed upon the subdivision;
- the amount of annual taxes, assessments or fees to be paid by the buyer for maintenance of common facilitates;
- information relating to any conviction of any misdemeanor, felony or other crime by the developer;
- Articles of Incorporation and Bylaws for each property owner's association must be submitted but are not reviewed; and
- submittal of a proposed property owner's association budget is not required.

* The 70 day mandated timeframe can be extended by 50 days if there is a deficiency.

Illinois:

- only out-of-state offerings are regulated;
- on-site inspection is required by a state official;
- the nature and present status of any legal or administrative proceeding pending in any jurisdiction during the past five years concerning real estate involving the developer;
- a statement regarding title to the subdivided land;
- information regarding provision for sewage disposal and public utilities, if any, including water electricity, gas and telephone facilities; certified financial statements of the subdivider;
- certified engineer's report stating whether the land is suitable for the construction and maintenance of the proposed improvements;
- a detailed construction schedule, including the method of financing for each proposed improvement and evidence of financial assurance of the improvements and maintenance;
- proposed public property report (with required information) suitable for distribution to any proposed purchaser;
- submittal of the proposed contract, conveyance, etc; and
- assurance that the land cannot be sold subject to a blanket encumbrance unless as specified.

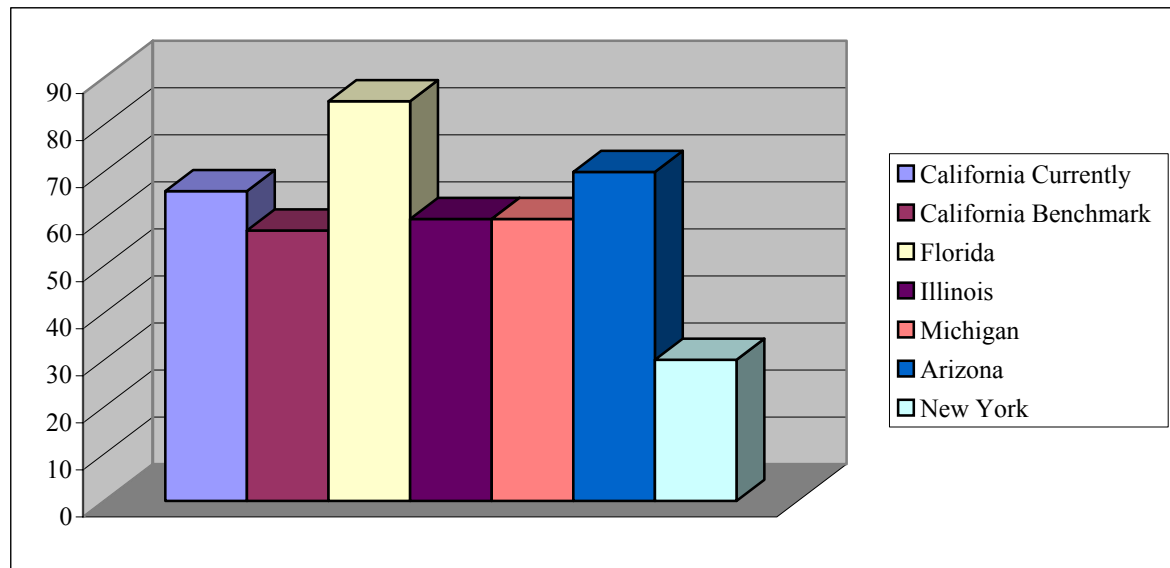
*Average processing time in Illinois is 80 days with an average of 13 filings per year.

Nevada:

- project registration required and property report issued for 35 or more lots;
- application and fee;
- disclosures in the public offering statement include current balance sheet and projected budget for the association (there is no state review of the budget).

National Benchmark Comparison Subdivisions

	Total Number of Days
California Currently	65.9
California Benchmark	57.5
Florida	85
Illinois	60
Michigan	60
Arizona	70
New York	30



* Other states benchmarks are derived from their statutory timeframes.